

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, March 1, 2007  
2:00 p.m., Regular Meeting

Board Directors present: CHAIRMAN LOWELL JARVIS, GRAY ALLEN, ALEX FERREIRA, MIKE LEE, and OTIS WOLLAN

Board Directors absent: None

Agency Personnel Present: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; VALERIE LORD, Assistant General Manager and Director of Administrative Services; STEVE JONES, Power System Manager; JOHN KINGSBURY, Director of Customer Services; HARLEY LUKENBILL; Deputy Director of Customer Services; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; MAL TOY, Director of Resource Development

### A. CALL TO ORDER

Chair Jarvis called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:05 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California. Mike Lee led the Pledge of Allegiance.

B. PUBLIC COMMENT: No member of the public commented.

### C. REPORTS BY DEPARTMENT HEADS

Director of Resource Development reported the Financial Assistance Program notices have been sent out via mail, e-mail, and in the newspaper. March 31, 2007, is the deadline to submit applications.

D. AGENDA CHANGES AND REVIEW: There were no changes.

### E. CONSENT CALENDAR:

1. Approve February 1, 2007, minutes.
2. Receive and file Check Register 07-04 expenses disbursed.
3. Approve budget transfers, as recommended by the Director of Financial Services. **See attached and other non-routine budget transfers that may be included as part of specific items that follow.**
4. Approve matters related to the Board of Directors as follows:
  - a. Expenses for previous months;
  - b. Anticipated expenses in excess of \$500.00; **none at this time.**

- c. Anticipated costs of transportation, lodging, and associated fees for travel outside the State of California to be paid by the Agency; **none at this time.**
- 5. Approve General Manager's expense reimbursement claim summary.
- 6. Approve out-of-state travel for expenses for Deputy Director of Administrative Services to attend International Public Management Association-Human Resources, Western Region Annual Conference, May 9 – 11, 2007, in Scottsdale, Arizona.
- 7. Approve out-of-state travel for expenses for Deputy Director of Financial Services, Systems Administrator, Financial Analyst, Data Systems Operator, and Administrative Specialist to attend the H.T.E. Annual International HUG Conference, May 20 – 24, 2006, in Dallas, Texas.

Motion by Director Lee approving Consent Calendar items 1, 2, 3, 4, 5, 6, and 7; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

F. AGREEMENTS AND CONTRACTS:

- 1. Approve consulting services contract with Bartel Associates in an amount not to exceed \$16,000. Bartel will provide actuarial services to aide the Agency in complying with GASB 45 (Governmental Accounting Standards Board).
- 2. Authorize staff to vote to approve the proposed California Urban Water Conservation Council amendments to the Memorandum of Understanding Best Management Practices No. 4 Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections and No. 6 High-Efficiency Clothes Washing Machine Financial Incentive Programs.
- 3. Approve Progress Pay Estimate No. Eleven with Pacific Mechanical Corporation for the Foothill Raw Water Supply Pump Station Project, Contract #2005-09 in the amount of \$1,512,281.70.
- 4. Approve Progress Pay Estimate No. Four with C&D Contractors, Inc. for the Gold Run Pipeline Replacement Project Phase 1, Contract #2006-05 in the amount of \$326,896.55.
- 5. Approve Progress Pay Estimate No. Five with Sierra National Construction for the Boardman Canal-Hansen Spill Automated Trash Rack, Contract #2005-12 in the amount of \$273,435.14.
- 6. Approve Progress Pay Estimate No. Six with PNP Construction, Inc. for the PCWA Business Center Improvements Project, Contract #2005-14 in the amount of \$58,073.65.
- 7. Approve the following with MCC Control Systems for the SCADA System Upgrade Project, Contract #2003-04:
  - a. Progress Pay Estimate No. Nineteen and Final in the amount of \$82,815.80
  - b. Receive for filing Contract Change Order No. Seven in the decreased amount of \$2,030.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
  - c. Authorize the Clerk to the Board to file the Notice of Completion.
- 8. Approve Amendment No. Four to the Recreation Facilities Collection Agreement with Tahoe National Forest for \$77,500.00.

9. Approve a consulting services contract with Charpier Engineering for the Whitney Ranch Water Storage Tank Project, in an amount not to exceed \$68,000.00.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, 8, and 9; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service;
  - a. Treated Water:
    - 1) Facilities Agreements: **None at this time.**
    - 2) Single Connections (In fill): 3.3 total acre feet or 5 equivalent dwelling units (EDUs)
  - b. Raw Water: **None at this time.**

Director of Technical Services reported on reductions in water service and applications for treated water for a total net decrease of 14.8 acre feet in water service commitment.

Motion by Director Wollan approving water service applications in the total amount of 3.3 acre feet; motion seconded by Director Lee and adopted by unanimous vote of directors present.

2. Zone 4 water service;
  - a. Treated Water
    - 1) One Facilities Agreement (FA) for a total of 41 acre feet or 72 equivalent dwelling units (EDUs)
      - FA 2351- Martis Camp Unit No. 3 (formerly Siller Ranch)

Director of Technical Services reported on the application for one facility agreement for 41 acre feet of treated water.

Motion by Director Ferreira approving a water service application in the total amount of 41 acre feet; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

3. Requests for response from Agency on water availability;
  - a. SB 221 (tentative map) – **None at this time.**
  - b. SB 610 (environmental process) – **None at this time.**
  - c. All other requests or information

No reports received.

4. Reports and response on water resource policy, planning and management issues
  - a. Water supply and infrastructure
  - b. Water use efficiency and conservation
  - c. American River Pump Station Project

- d. Sacramento River Diversion Project
- e. Land use and water policy
- f. Regional water matters
- g. CALFED Bay-Delta water matters

Under item G.4.c. the Director of Technical Services reported Phase One of the American River Pump Station is almost complete. The Agency is waiting for the Bureau of Reclamation to finalize it. The Bureau will test it after Phase 2 is complete.

Under Phase 2 of the Pump Station rock riprap installation at the downstream end and concrete work on the emergency intake, intake vault, and primary intake is in progress. Bedrock under the primary intake is unsuitable and needs to be removed and replaced with concrete. The Bureau has authorized the work.

He also reported on the contract modifications which need Board approval.

Motion by Director Lee approving the Bureau of Reclamation's contract modifications to Phase 2 as follows: Revised value for Modification No. 6 from \$18,000.00 to \$9,000.00; and Modification 9 in the amount of \$472,900.00; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

Under item G.4.c. Director of Strategic Affairs reported the Bureau of Reclamation intended to use funds which the Agency contributed for construction of the American River Pump Station, to complete recreation and public access facilities which were originally designated on the project schedule for construction only after the pump station became operational. The diversion of funds to construction of recreation and public access facilities seriously threatens the construction necessary for the operation of the intake and pump station and is inconsistent with the Contributed Funds Agreement. He handed out a draft letter to the Bureau addressing the issue. Discussion followed. The Board agreed the letter should be sent.

H. MIDDLE FORK AMERICAN RIVER HYDROELECTRIC PROJECT, (FERC PROJECT 2079), RELICENSING PROGRAM

- 1. Report on relicensing process, schedule, and activities;
- 2. Report on financial matters and services;
  - a. Approve Task Order 2007-14 with Entrix, Inc. for the addition of a new sub-consultant, TCW Economics. No change in the contract amount is necessary.

Director of Resource Development reported Mr. Wegge from TCW Economics will assist with development and implementation of recreation studies, including the collection of recreation use data and survey information.

Motion by Director Lee approving item H.2.a.; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

I. GENERAL ITEMS

1. Presentation on Yuba/Bear River Watershed Sanitary Survey Update - Starr Consulting.

Director of Technical Services noted the State mandates the Agency do a sanitary survey update in five year increments. He discussed the types of items looked at for the survey. The Agency and Nevada Irrigation District worked together to have the Yuba/Bear River Watershed Sanitary Survey updated. He introduced Bonny Starr, the consultant who prepared the survey.

Ms. Starr gave a PowerPoint presentation noting the study period, objectives of the update, significant changes in the past five years, and key findings and conclusions. Discussion followed. (Handout provided)

2. Report and discussion on Agency's Contract Change Order policy.

Director of Technical Resources described the purpose of change orders and the difference between non-discretionary and discretionary change orders as noted in the Agency's General Administrative Rules. He described how contract change orders are handled in the field via negotiated lump sum increase or decrease or via Force Account work and what Force Account work is. Agency costs have increased substantially since 1992, the last time the contract change order rules were revised. With current costs of projects, the \$25,000.00 approval level has become a major restriction to completing projects on a timely basis and preventing delays and claims. He requested the Board increase the non-discretionary contract change order approval level to \$100,000.00 to be more responsive to field conditions. Discussion followed. (Handout provided)

Motion by Director Ferreira approving non-discretionary contract change order approval level be increased to \$100,000.00; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

3. Consider modification of the Agency's Conflict of Interest Code; adopt Resolution 07-06 Amending the Agency's Conflict on Interest Code.

The General Manager reported staff and General Counsel reviewed the Agency's Conflict of Interest Code and recommended removing the Power Administrative Specialist the Code.

Motion by Director Lee adopting **Resolution 07-06 amending the Agency's Conflict on Interest Code**; motion seconded by Director Wollan and adopted by unanimous roll call vote of Directors present.

4. Receive and discuss "Issues and Interests Achieved in 2006 and Anticipated in 2007" for PCWA.

Power Systems Manager reported on the following:

- Flood studies on Interbay and Afterbay dams
- Implementation recommendations resulting from the Ralston Afterbay Dam Five Year Safety Evaluation process

- Completing an Incremental Hazard Evaluation and Inflow Design Flow study for Interbay Dam
- Going to bid for a qualified contractor and control systems integrator for the Ralston Afterbay Dam spill gates control project

The Board received and filed the letter from Pacific Gas & Electric Company approving the 2007 O&M budget request in the amount of \$27,249,473.00. (Two handouts provided)

Director of Strategic Affairs handed out a chart showing Zone 1 total paid water connection charges equivalent dwelling units 1986 through 2010. He discussed new connections, including from the City of Lincoln because of the pipeline through Bickford Ranch.

He reported on the following Strategic Affairs Department activities (Handout provided):

- PG&E Yuba-Bear water supply contract renewal
- Middle Fork Project power sales
- Agency community outreach for 50<sup>th</sup> anniversary and relicensing
- Combining west slope water system service areas into a single zone
- Placer County Conservation Plan; including coverage for O&M activities
- LL Anderson Dam probable maximum flood repairs funding. He noted Congressman Doolittle asked if the Agency wanted the project included in a Water Resources Development Act bill and the Agency responded affirmatively. The General Manager pointed out the Middle Fork Project was not built as a flood control project.

Chairman Jarvis turned the meeting over to Vice-Chairman Lee and left the meeting at 4:20 p.m.

#### J. REPORTS BY DIRECTORS: I

Director Wollan noted he was a presenter at the California Urban Water Conservation Council. (Handout provided)

Director Ferreira attended a NID/PCWA Water Planning Committee today.

#### K. REPORTS BY LEGAL COUNSEL

Legal Counsel reported the State Supreme Court issued a decision on the Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova. Some of the parties have filed a petition with the Supreme Court to grant a rehearing. Agency Legal Counsel Janet Goldsmith has sent a letter to the Court on behalf of the Agency in support of the Petition for Rehearing. The Agency would like the Court to clarify and harmonize the legal framework surrounding development of needed additional water supplies and provide the guidance concerning obligations and limitations confronting water purveyors in meeting their public responsibility of ensuring adequate water supply. (Handout provided)

#### L. REPORTS BY GENERAL MANAGER

The General Manager encouraged the Board to have a session on March 7, 4:00 p.m., to go to closed session to give direction to the Agency negotiator(s) on meet and confer matters.

M. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 4:40 p.m. to consider the following:

1. **Conference with real property negotiator-** Pursuant to Section 54956.8 of the Government Code  
*Property:* A portion of APN 007-030-024  
*Agency Negotiators:* Brian Martin, Director of Technical Services, and Myra Cooper Holmes, PCWA Property Specialist  
*Under Negotiation:* Price and/or terms of payment

N. REPORT FROM CLOSED SESSION

The Board returned from closed session at 4:53 p.m. No reportable action taken.

O. ADJOURNMENT

At 4:55 p.m. Vice-Chairman Lee adjourned the meeting to the March 7, 2007, 4:00 p.m.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency